

## Message Text

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17 15

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 INT-08 COME-00 TRSE-00 SCEM-02

NEA-10 AF-10 SCI-06 OMB-01 DRC-01 /171 W

----- 122879

R 310941Z OCT 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 8905

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E.O. 11652: N/A

TAGS: ENRG, RP

SUBJECT: IMPENDING OIL PRODUCT SHORTAGE IN PHILIPPINES

REF: MANILA 11934

1. OIL COMPANIES FORESEE SERIOUS SHORTAGE OF OIL PRODUCTS IN PHILIPPINES NEXT SEVERAL MONTHS, EXTENDING WELL INTO 1974, AND SHORTAGE COULD REACH CRITICAL PROPORTIONS IF MIDDLE EAST PRODUCTION CUTBACKS RESULT IN SIZEABLE REDUCTIONS OF CRUDE SUPPLIES TO PHILIPPINES OR IF COMPANIES FAIL TO GET SUBSTANTIAL DOMESTIC PRICE INCREASES DURING NEXT TWO WEEKS IN ORDER COVER LARGE OCTOBER CRUDE PRICE HIKES.

2. SHELL HAS REPORTEDLY INFORMED GOP IT IS CUTTING CRUDE RUNS 12 PERCENT OWING TO MIDDLE EAST CUTBACKS AND ALL AMERICAN COMPANIES HAVE BEEN ADVISED TO EXPECT MOMENTARY NOTIFICATION OF REDUCED CRUDE ALLOCATIONS.

3. COMPANIES NOTE PHILIPPINE PROBLEM AGGRAVATED BY UNUSUALLY LOW CRUDE INVENTORIES AS RESULT OF FINANCIAL PRESSURE ON COMPANIES DURING PAST YEAR. FURTHERMORE,  
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REFINERY RUNS OVER PAST TWO MONTHS OR MORE ARE ESTIMATED TO

HAVE BEEN 5 TO 10 PERCENT UNDER MARKET DEMAND.  
ADDITIONAL CUTS IN REFINERY RUNS THEREFORE WILL CAUSE  
CRITICAL SHORTAGE. DOMESTIC TANKER AND OTHER  
TRANSPORTATION BREAKDOWNS ARE ALREADY CAUSING  
MORE SEVERE SHORTAGES IN SOUTHERN ISLANDS THAN IN LUZON.

4. GOP PRIME COMMODITIES COMMITTEE AND OIL INDUSTRY  
COMMISSION ARE PREPARING CONTINGENCY PLANS FOR PRIORITY  
ALLOCATION AND RATIONING SYSTEM, BUT COMPANIES COMPLAIN  
GOP NOT YET SHOWING REAL SENSE OF URGENCY IN ATTACKING  
PROBLEM AND HAS NOT GEARED UP TO PUT ADDITIONAL PRICE  
INCREASE PROMPTLY INTO EFFECT. (COMPANIES WANT MINIMUM  
6 CENTAVOS PER LITER AVERAGE INCREASE--9 CENTAVOS FOR  
GASOLINE.) COMPANIES ARE SUPPLYING INFORMATION TO OIC  
AND OTHER OFFICES TO PROVIDE BETTER UNDERSTANDING OF  
DIMENSIONS OF CURRENT PROBLEM.

5. ACTION REQUESTED: EMBASSY WOULD APPRECIATE  
INFORMATION ON EFFECT OF ARAB OIL MEASURES REQUESTED  
REFTEL. DOES PHILS APPEAR ON ANY LISTS ISSUED BY  
ARAB GOVERNMENTS RELATIVE TO CRUDE DELIVERIES.?  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTS, SUPPLIES, PETROLEUM INDUSTRY, PRICE CONTROLS, RATIONING  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973MANILA12296  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** MANILA 11934  
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**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 DEC 2001  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IMPENDING OIL PRODUCT SHORTAGE IN PHILIPPINES  
**TAGS:** ENRG, RP  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005